

## REMARKS

### 1. Declaration

A separate Communication is transmitted concurrently herewith that includes a duplicate copy of the Declaration filed May 17, 2002. Applicants request that the Examiner acknowledge the acceptability of the Declaration.

### 2. Claims

Claims 1 – 30 have been examined. Claims 1, 6, and 15 stand rejected under 35 U.S.C. §101; Claims 4, 5, and 21 stand rejected under the second paragraph of 35 U.S.C. §112; Claims 1 – 30 stand rejected under 35 U.S.C. §102(e) as anticipated by U.S. Pat. Publ. No. 2001/0054003 (“Chien”); and certain objections have been made to Claims 7 and 25.

Claims 2, 3, 5, 15 – 18, and 20 have been canceled without prejudice or disclaimer, and Claims 1, 4, 6 – 9, 12, 13, 19, 21, 22, and 25 – 30 have been amended. Such amendments are believed to overcome the rejections and objections, and define aspects of the invention more particularly. No new matter is added by such amendments, which are supported by the specification. Attention is drawn, for example, to p. 8, l. 1 – 9, l. 8 and to p. 11, l. 9 – p. 12, l. 15 of the Application.

#### a. Claim Objections

Claim 7 has been amended to refer to “an instrument,” and Claim 25 has been amended to refer to a “loyalty host system.” It is thus believed that the claim objections have been overcome.

#### b. §101 Rejections

Independent Claims 1 and 6 have been amended to recite specific structure in the form of a loyalty host system to ensure that the claims are grounded in the technological arts. Claim 15 has been canceled. It is thus believed that the §101 rejections have been overcome.

c. §112 Rejections

Amendments have been made to claims 4 and 21 to avoid use of the phrase “substantially immediate.” Claim 5 has been canceled. It is accordingly believed that the §112 rejections have been overcome.

d. §102 Rejections

The independent claims as amended recite additional aspects of the invention, and examination of the claims as amended is respectfully requested. In the interest of advancing prosecution of the application, the following comments are offered regarding certain limitations in those claims.

Independent Claims 1 and 19 now respectively recite a method and apparatus for operating a loyalty program integrated with a financial infrastructure. These claims require, *inter alia* that a loyalty process that has been executed be backed out after receiving a denial of a transaction instruction by the financial infrastructure. Such backing out is performed by decrementing a stored point total for a customer by an aggregation amount used to augment the stored point total by previously executing the loyalty process. Such a combination is neither taught nor suggested by Chien. The Office Action cites ¶71 of Chien as disclosing the limitation of canceled Claim 5, which recited a related limitation. It is noted that this portion of Chien addresses steps taken when a participant is attempting to use loyalty points when shopping at a merchant, but is unable to do so. These steps are different from the specific requirements now recited in independent Claims 1 and 19 of “backing out of the loyalty process ... by decrementing the stored point total for the customer by the augmentation amount [applied by

executing the loyalty process] after receiving the denial of the transaction instruction [from the financial infrastructure].” It is accordingly believed that independent Claims 1 and 19 as amended are patentable.

Independent Claims 6, 22, and 25 now respectively recite a method and apparatus for operating a loyalty system. These claims require, *inter alia*, that an augmented point total provided in accordance with transaction information for a transaction with a first merchant and with administration criteria for one of a plurality of distinct loyalty programs be “available to be applied by the customer towards a reward from a second merchant enrolled in the at least one of the loyalty programs substantially immediately after execution of the transaction,” for different first and second merchants. Such a combination is neither taught nor suggested by Chien. The Office Action cites ¶¶ 52 – 54 of Chien as disclosing a related limitation of original Claim 6. It is noted that this portion of Chien addresses the conversion of loyalty points to currency value to permit payment for a transaction to be made with loyalty points. It includes no teaching or suggestion of making an augmented point total available to be applied by the customer towards a reward with a *second* merchant substantially immediately after execution of the transaction with the different *first* merchant. It is accordingly believed that independent Claims 6, 22, and 25 are patentable.

Each of the dependent claims is additionally believed to be patentable by virtue of its dependence from a patentable independent claim.

### CONCLUSION

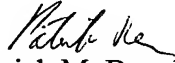
In view of the foregoing, Applicants believe all claims now pending in this Application are in condition for allowance. The issuance of a formal Notice of Allowance at an early date is respectfully requested.

If the Examiner believes a telephone conference would expedite prosecution of this application, please telephone the undersigned at 303-571-4000.

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PATENT

Respectfully submitted,

  
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